EXHIBIT 5

RFCS OPERATING CONCEPT OVERVIEW

1.0 General Project Objective

The general objective of this Contract is to provide for the development, implementation, operation and maintenance of a common "seamless" fare collection system for seven public transportation agencies, utilizing a contactless smart card to replace the current fare collection media (tickets and passes). It is also intended, however, that (a) the card supplied by the Contractor will be able to accommodate other non-transportation applications and (b) the Regional Fare Coordination System (RFCS) transit application will be designed so as to be capable of operating on smart cards issued by entities other than the Agencies.

2.0 Description of Agencies and Fare Collection Approach

2.1 The participating public transportation agencies in the Central Puget Sound Region are: Community Transit, Kitsap Transit, King County, Everett Transit and Pierce Transit, each of which provides bus and vanpool services; the Washington State Ferries which provides foot passenger and auto revenue collection at l9 terminals; and Sound Transit, which currently provides express bus and commuter rail service, and will provide, in the future, light rail service. These public transportation providers serve 3.1 million residents in the four-county Central Puget Sound Region of Washington State.

2.2 Collectively, the Agencies annually generate approximately 130 million passenger trips per year and over $160 million dollars in passenger revenues. Sixty to seventy percent of that revenue is currently pre-paid in the form of tickets or passes which would convert to the smart card medium.

2.3 In September of l999, Community Transit, Everett Transit, King County, Pierce Transit and Sound Transit implemented the "Puget Pass Program" that consists of a common pass program with provisions for transfer upgrades and revenue reconciliation. The Puget Pass is sold by all of these Agencies and is accepted on all of their bus and rail services. A Puget Pass can be purchased bearing numerous face values reflecting a wide range of fare values. A significant portion of the Agencies' individual passes have been replaced with the Puget Pass, which is used, depending on the service provider, as a magnetic stripe or "flash" pass. Revenue reconciliation among the agencies is achieved by using pass sales records and ridership survey data.

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2.4   The Puget Pass Program was intended to be an interim system prior to the RFCS. It is imperative that the RFCS be operational at the earliest possible date in order to provide accurate ridership data and revenue reconciliation integrity.

2.5   Once the RFCS is fully operational, it is intended that smart cards and physical cash will be the primary fare payment methods for all Agencies. The Agencies estimate that 400,000 smart cards will be initially issued on the commencement of the RFCS. Sound Transit currently sells paper magnetic stripe tickets for its commuter rail service through Ticket Vending Machines (TVMs) which are supplied by Scheidt and Bachmann. With the RFCS, the TVM's will be modified to handle smart cards, however paper tickets will continue to be sold by TVM's for single trip use. Sound Transit's TVM back office "central data collection system" (CDCS) will require integration with the new RFCS.

2.6   An Interlocal Agreement among all the Agencies governs how they will administer the Contract through a Contract Administrator, develop common business rules and customer service policies, and communicate with the public. The Contractor's project manager is accountable to the Agencies for contract performance and compliance and will be required to attend meetings of the Agencies' at their request. The Contractor is a service provider to the Agencies and system operations are not a public/private partnership.

3.0 Card Types

3.1   The initial card issued under the RFCS shall be a contactless card that interfaces with system equipment via radio frequency. The primary card issued will be fully functional and held by the customer on a long term basis. In addition to the fully functional, primary card, a low cost disposable card will also be issued. The disposable card need only have limited functionality, e.g., a fixed value decrement-only electronic purse or designated-period pass. A "smart object", such as a watch or wristband, is also envisioned. Disposable cards and smart objects will be used for target markets such as visitors, special needs human service clients or stadium applications.

3.2   It is intended that additional applications could be added to a card after the initial point of issuance. Because these other applications may require contact interfaces, it is intended that the RFCS transit application also be operable on a dual interface card, i.e. a card that functions in both contact and contactless modes.

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4.0 Use of Smart Cards by Individual Customers

Frequent riders tend to pay their fares using monthly passes or tickets. Infrequent riders usually pay a single fare with cash or tickets. It is intended that the RFCS will enable individual customers to:

a. Acquire a smart card once and use it for the physical life of the card, then replace it and transfer any remaining value to a new card. This card will be accepted on all the Agencies' systems. It will accommodate both an electronic purse function (e.g. to store "cash" for future trips) and allow the customer to "load" any regional or individual agency fixed period pass.

b. Acquire a card issued in three categories: adult, senior/disabled (the current Regional Reduced Fare Permit) or youth.

c. Replace a lost, damaged or stolen card with a new card. Customers who "link", or register, their card can access the value restoration benefit. The remaining value of the original card can be transferred to a new card. The lost card will be invalidated so it cannot be used. Cards may also be issued anonymously, but those cards, if lost or stolen, cannot have their value restored.

d. Enjoy ridership incentive discounts. Potential discounts may include a revalue bonus when fare is added; free trips for frequent riders; discounts for transferring between Agencies, purchasing multiple Agency passes like a "Ship to Shore" pass, or using special promotional offers.

e. Experience new ways to add value to the card. For customers with credit and/or debit cards, new options will include: automatic revalue when the card hits a predetermined level or renewal time period; phone, mail order (checks accepted), or Internet revalue; or revalue at Sound Transit ticket vending machines. For those customers who do not have, or prefer not to use, credit or debit cards, "over-the-counter" revalue will be available at agency customer service offices and through 3rd-party retail outlets.

f. Experience faster boarding. Fare payment will take a fraction of a second when riders bring the card within close proximity of a reader. Cards need not be removed from a purse or wallet to be "read" by the fare transaction processor.

g. Pay for traveling companions from the electronic purse by advising the driver or seller when they present their card.

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5.0 Use of Smart Cards by Institutional Customers

Institutional accounts provide the Agencies with access to large, vitally important customer markets and handle pass distribution and sales on site. For example, in King County, over 80% of all passes are sold through institutional accounts. They represent the market with the greatest potential to increase ridership at the least public expense. It is intended that the RFCS will enable the clients of institutional accounts, and their institutional sponsors, to:

a. Distribute a smart card once, eliminating the monthly consignment/distribution process. This significantly reduces both the Agencies' and the institution's pass program administration financial risks and costs.

b. Select from subsidy and payment options. These may include subsidy programs similar to current options, such as a card issued with an electronic voucher which mimics the Commuter Bonus program, or a contracted rate for "per trip" billing which would support Flex Pass programs. Employers who currently have pass sales accounts with multiple agencies will have one consolidated point of payment.

c. Access clearinghouse ridership reports. These reports provide valuable information for budget purposes, to help institutions work with the Agencies to plan service and to meet the reporting requirements of the Commute Trip Reduction law.

d. Block individual cards. An institutional account would have the ability to block a card if an individual no longer qualified for the subsidy benefit.

e. Consider, at the institution's own expense, to add card functionality (non-transit applications) such as building or parking access.

6.0 Card Issuers

The Agencies will issue the RFCS transit card and may also allow the Contractor to issue this card on its behalf. The Agencies assume the Contractor may also issue non-RFCS cards on behalf of itself or other entities for other purposes. These Contractor-issued cards may not include the RFCS transit application without the Agencies' approval. Relative to the RFCS transit card, the Contractor must provide for:

a. Agency control of the transit application and the flexibility to change fare policy and procedures at its discretion and schedule convenience

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b. Sufficient memory to accommodate non-transit applications for the Agencies, their institutional accounts and other state or local governments.

c. Sufficient memory to accommodate other transportation agencies who may join the Agencies in the future. These may include the City of Seattle, the Seattle Monorail Project, the Tacoma Narrows Bridge Toll Authority, Intercity Transit in Olympia and/or any transportation agency that chooses to do so in the states of Washington, Oregon and Idaho.

7.0 Vendor Generated Revenue to the Agencies

The Agencies anticipate future sources of Contractor generated revenue to be shared with the Agencies which could include, but are not limited to, the following:

a. A license fee for use of the RFCS transit application on any card or medium other than a card issued by the Agencies.

b. A new business referral fee for transit and non-transit application design work referred to the Contractor by the Agencies.

c. An operating cost reduction to the Agencies for all transactions generated by non-transit applications which the Agencies permit to reside on the Agency-issued card.

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